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SUBJECT: CZECH RESPONSE ON WTO DOHA DEMARCHE: US OFFER
FALLS SHORT

REF: A. STATE 104561

[1](#)B. PRAGUE 1496

[1](#)1. (U) Acting Pol-Econ Counselor and Econoff met with EU Multilateral Trade Policy and Common Policy Director Ladislava Votavova at the Ministry of Industry and Trade to deliver Ref A demarche. Votavova cautioned that completing the round by the end of the year might not be plausible given the on-going problems negotiating the modalities. She mentioned that there has been little progress on this issue since April, and that it was difficult to envision a way forward other than a political solution. She further noted that since such a political solution was not done at the US-EU summit in Vienna, it was hard to foresee one in the future.

[1](#)2. (C/NF) Votavova described the mood within the EU on Doha as "calm," particularly compared to the lead-up to the December 2005 Hong Kong ministerial meeting. Before Hong Kong, EU member states were rather frantic given the divergent views among EU nations on agriculture market access and responding to the USG proposal (Ref B). Votavova explained that the current calm in the lead up to the EU ministerial June 26 - July 2 meeting is derived from widely shared EU consensus that the current EU offer is the best possible. She said that after Hong Kong differences were resolved and now there is greater consensus among EU nations to present a united front.

[1](#)3. (U) Comment: Votavova is on the Czech delegation to the June 26 - July 2 meeting, which will be led by Deputy Minister of Industry and Trade Martin Tlapa. Votavova has consistently proved to be an open and reliable source of information on internal EU dynamics on trade matters. Her sobering assessment is that there is little room for flexibility on the EU side. This is a turnaround for the Czechs (Ref B). End comment.
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